



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 09-03

March 6, 2009

Investigation by the Department of Public Utilities to Develop Tariffs Governing Net Metering Under An Act Relative to Green Communities, St. 2008, c. 169, § 78.

VOTE AND ORDER OPENING INVESTIGATION

I. INTRODUCTION

On July 2, 2008, Governor Patrick signed into law Chapter 169 of the Acts of 2008, an Act Relative to Green Communities (“Green Communities Act”). The Green Communities Act requires the Department of Public Utilities (“Department”) to adopt rules and regulations necessary to implement provisions relating to net metering. St. 2008, c. 169, § 78. In response to the legislature’s directive, the Department issued an Order instituting a rulemaking to establish net metering regulations on March 6, 2009. Net Metering Regulations, D.P.U. 08-75 (2009). In that Order, the Department explained it would implement the net metering provisions of the Green Communities Act through both regulations and tariffs. D.P.U. 08-75, at 2-3. The purpose of this investigation is to develop tariffs that will, in conjunction with the net metering regulations proposed in D.P.U. 08-75, govern the provision of net metering services pursuant to G.L. c. 164, §§ 138-142.

II. SCOPE OF INVESTIGATION

A. Overview

The Green Communities Act fundamentally changes how net metering will occur in the Commonwealth. Traditionally, net metering in the Commonwealth was restricted to on-site generation of limited capacity. 220 C.M.R. § 8.00 et seq.; 220 C.M.R. § 11.00 et seq. With the enactment of the Green Communities Act, net metering facilities can have a capacity of up to two megawatts, earn more valuable credits, and serve a Neighborhood. G.L. c. 164, §§ 138-40.

To implement these changes, the Department proposes in this investigation to develop a model net metering tariff that will set forth the rights and obligations of Distribution Companies and Customers. In the interest of administrative efficiency, and in order to address

net metering issues in a consistent manner across all distribution companies, the Department proposes to do so through a broadly-represented stakeholder process that includes distribution companies, stakeholders and other interested persons. We find that such a process will be an effective and efficient forum for formulating consensus positions, developing comprehensive terms and conditions, and achieving, to the maximum extent possible, uniformity among distribution companies in providing net metering services.

The Department intends that the model tariff developed through this proceeding will serve as the basis for the net metering tariffs that each distribution company will submit for Department review and approval. The Department recognizes that individual circumstances may require modifications to the model tariff by each company. Distribution companies will bear the burden of demonstrating the reasonableness of any proposed changes to the model tariff when submitting compliant tariffs.

B. Issues to be Addressed

The regulations proposed in D.P.U. 08-75 require each distribution company to file, for Department approval, tariffs that will govern the provision of net metering services. D.P.U. 08-75, Attachment A, Proposed Regulations (“Proposed Regulations”), §§ 18.09(2-3). The Department expects that the model net metering tariffs will include, among other things, terms and conditions governing the following:

1. Procedure for requesting net metering services;
2. Information that distribution companies may require in a request for net metering services;
3. Qualifications for neighborhood net metering facilities;

4. The manner in which distribution companies process requests for net metering services, including a timeline (all disputes go to the Department);
5. Metering and technical requirements;
6. Administration of net metering credits, including the calculation, allocation, designation, billing, and purchase of net metering credits;
7. Calculation and recovery of revenue losses attributable to net metering pursuant to G.L. c. 164, § 139(c);
8. Termination of net metering services; and
9. Closure of tariff to new customers when the one percent limit on net metering capacity set forth in G.L. c. 164, § 139(f) is reached.

Through the informational reports that companies will be required to file regarding net metering,¹ the Department and companies will monitor net metering participation and trends.

If and when a distribution company approaches the one percent limit on net metering, the Department may examine at that time whether adjustments in the net metering tariffs are necessary to address any issues associated with approaching the one percent limit.

III. STAKEHOLDER PROCESS

Distribution companies must provide net metering services through Department-approved tariffs.² As stated above, distribution company net metering tariffs will be based on a model tariff that will be developed through a stakeholder process. In order to initiate and focus discussions in the stakeholder process, distribution companies shall work together and file a single proposed model net metering tariff with the Department on

¹ This requirement is contained in section 18.08 of the Proposed Regulations.

² This requirement is contained in sections 18.09(2-3) of the Proposed Regulations.

March 19, 2009.³ The Department directs the distribution companies to distribute the proposed model tariff by e-mail attachment to the Department's service list in Net Metering, D.P.U. 08-75. The Department will then begin the stakeholder process with a technical conference on Thursday, **April 2, 2009**. During that conference, the Department will discuss the content of the proposed model net metering tariff, including those issues identified in this Order. The Department will establish a procedural schedule following the technical conference.

An original and one (1) copy of all written documents must be filed with Mary L. Cottrell, Secretary, Department of Public Utilities, One South Station, 2nd Floor, Boston, Massachusetts 02110. All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dpu.efiling@state.ma.us and Shaela.Collins@state.ma.us or (2) on a 3.5" disk or CD-ROM. The text of the e-mail, disk label, or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 09-03), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <http://www.mass.gov/dpu>.

³ To the extent practicable, distribution companies should consider the viewpoints of other stakeholders in preparing a model net metering tariff.

IV. ORDER

Accordingly, the Department

VOTES: To open an investigation into developing net metering tariffs; and it is

ORDERED: That the Secretary of the Department shall serve a copy of this Order upon all persons on the Department's official service list in Net Metering, D.P.U. 08-75.

By Order of the Department,

/s/
Paul J. Hibbard, Chairman

/s/
W. Robert Keating, Commissioner

/s/
Tim Woolf, Commissioner